

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
May 21 & 22, 2008**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on May 21, 2008, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Ford, Bob Distler, Elmira Forner, Carol Moser, Philip Parker and Dale Stedman.

MINUTES APPROVAL/ADOPTION

It was moved by Commissioner Forner to approve the meeting minutes of the March 18 & 19, 2008 Regular minutes, March 19, 2008 WSF Amendatory WAC Hearing minutes, April 7, 2008 Special meeting minutes – Tacoma Narrows Bridge Toll Proposal conference call and the April 15, 2008 Pullman Local meeting minutes. The motion passed unanimously.

COMMISSION BUSINESS & REPORTS

It was moved by Chair Ford to approve the appointment of Commissioners Stedman, Parker and Distler to the 2008/09 Officers Nominating Committee and appointment of Commissioners O'Neal, Ford and Forner to the 2009/11 Budget Team Committee. There were no objections to these appointments. The motion passed unanimously.

FERRY USER SURVEY

Rebecca Elmore-Yalch, Senior Vice President, Opinion Research Northwest, emphasized that the results of the first phase of research are preliminary findings and will not be published until the second wave of research has been completed, so as to avoid misrepresenting the results. Today's presentation will include a preliminary review of travel behavior and attitudes towards travel of a representative sample of ferry customers. Tariff policy, operational and other strategies were considered in the survey in order to gauge reactions of users to possible changes.

The on-board survey was conducted in March and was completed before the seasonal fare surcharge went into effect and the schedules changed. One of the key objectives of the study was to develop and implement a quantitative research methodology that yields a reliable and statistically valid "baseline". This is the first time in many years, if ever, that such an extensive survey effort has been conducted, apart from the O & D survey that WSF periodically updates. The critical thing is that this is a "baseline" and a lot of work was done on the sampling plan to make certain it can be replicated in the future.

The second wave of the on-board survey is to be completed in July 2008. For further information on the Ferry Customer Survey please visit the Commission's website at: <http://wstc.wa.gov/FerryCustomerSurvey/default.htm>

Commissioners asked several questions of Ms. Elmore-Yalch regarding the use of specific demographic information in the survey.

She moved on to provide an overview of data collected to date in Phase one of the Ferry Survey.

Chair Ford introduced Bill Young, consultant, and thanked him for providing assistance with the Ferry Survey.

Mr. Young indicated that the research that has been done on-board provides a wealth of insight into the people that are using the ferries today, and it also gives an opportunity to scratch the surface of their future needs. The survey will paint a picture of how people make choices about what mode of transportation they will use.

In closing Ms. Elmore-Yalch highlighted that at least 65 percent of ferry riders indicated that they are satisfied (based on the return of surveys) with the quality of service provided by WSF – noting that satisfaction with quality of service varies by route.

LONG-TERM FERRY FUNDING STUDY

Steve Pickrell, P.E., Principal and Senior Vice President, Cambridge Systematics, provided a recap of Phase One findings, noting that since the elimination of the MVET in 2000, WSF has struggled to fund its operating and capital needs. Also, rising fuel and other cost escalation continues to have exacerbated the funding gap. Significant new sources of revenue need to be identified to fund both operations and capital preservation and replacement.

The objective of the Long-Term Funding Study are to identify and evaluate a range of state, regional and local funding sources; select the most viable options and requisite actions for a stable long-term funding package - identify implementation actions; prepare a draft and final funding plans and present those findings to the Commission in December 2008.

The adopted Phase Two work program includes the development of future funding. Mr. Pickrell provided an outline of the six-month schedule of key activities that will take place between May and October 2008. Current tasks include ongoing participation in meetings with WSF and the JTC to review operational and pricing strategy proposals as well as surveys and modeling activities. He provided an overview of near-term actions, milestones and funding options. To view this presentation please visit the Commission website at: <http://wstc.wa.gov/AgendasMinutes/agendas/2008/May21/default.htm>

Commissioners and Mr. Pickrell held a brief discussion regarding the importance of keeping key stakeholders in the loop on this study.

Reema Griffith, Executive Director, WSTC, explained that the Commission's public meetings offer opportunity for public comment and as well the Commission is meeting with key agencies, organizations and interest groups on a regular basis. Information regarding this study can be found on the Commission's website at: <http://wstc.wa.gov/>

Mr. Pickrell distributed a memorandum containing a draft long list of possible funding sources for WSF. He noted that the list is intended to cover a wide range of sources that could be used to support the ferry system, including taxes, fees, and ferry system revenues.

This memorandum can be viewed at:

http://wstc.wa.gov/AgendasMinutes/agendas/2008/May21/May21_BP3_DraftListFundingSources.pdf

Mr. Pickrell and Commissioners held a question and answer session regarding the viability of these draft funding sources.

UPDATE ON JOINT TRANSPORTATION COMMITTEE (JTC) FERRY FINANCE STUDY

Kathy Scanlan, Managing Partner, Cedar River Group, explained that the JTC's focus has been in four major areas; ferries planning, vessel studies, finances and long-range planning. She noted that the JTC has charged Cedar River Group with looking at two aspects of vessels. The first phase report focused on terminals which had not been the subject of many previous studies. The point of looking at WSF financing is to respond to legislative questions and concerns that have arisen over time about how efficiently dollars are being spent on the capital and operating side. The ultimate goal of this project is to come up with a long-range plan. Cedar River Group's role is to participate in the preparation of the long range plan and to do an independent review, specifically to take a look at capital finance, although not to come up with independent estimates, but rather to confirm ferries estimates of future capital requirements.

Vice Chair Forner welcomed and invited Senator Cheryl Pflug to the table.

Ms. Scanlan provided a briefing on the four major areas of focus responding to Commissioner's questions and concerns.

Senator Pflug expressed some concern regarding ferry customers' value of their time and how the pricing strategies address individual needs.

This presentation can be found on the Commission's website at:

http://wstc.wa.gov/AgendasMinutes/agendas/2008/May21/May21_BP4_JTC_Studies.pdf

PUBLIC COMMENT PERIOD

Paul Locke, citizen, shared his concerns regarding transit agencies. He shared that he feels that new buses and ongoing operating expense is there is not a tax base to pay for it. He noted that he feels that possibly some ferry routes could be eliminated, which would make better use of vessels on hand and hopefully reduce cost. He complained about federal tax rates and the cost to retirees – no new taxes. He suggested that costs must be reduced and consolidation must occur.

Edward Barnes, Vancouver, shared his thoughts regarding the I-5 Columbia River Crossing and passenger rail. He emphasized that passenger rail must be enhanced to provide state-wide service as an alternative to air travel. He urged that now is the time to ask the Legislature take a look at enhancing passenger rail service state wide. He moved on to share that he feels the I-5/Columbia River Crossing must be tolled as well as other bridges and highways around the state because of the decrease in federal dollars.

Ginger Metcalf, Identity Clark County, Vancouver, shared information regarding the newly formed Columbia River Crossing Coalition.

She extended an invitation to Commissioners to attend the Coalition's upcoming luncheon meeting.

Doug Rauh, Bainbridge Island, commented that he feels that when you go to the public asking for money they are looking at the current system and how you spend the money. Before you ask for money, show the public that WSF is saving money. He shared his concerns regarding issues with unloading of the ferries on Bainbridge Island. He also shared marketing ideas that WSF could be taking advantage of to increase ridership.

Senator Pflug thanked the Commission for the opportunity to speak at today's meeting.

OVERVIEW OF PRICING / TOLLING OUTREACH AND SURVEY EFFORTS BY WSDOT AND KING COUNTY

Craig Stone, Urban Corridors Administrator, WSDOT, opened the presentation with a briefing regarding the public opinion survey on key transportation issues in the Puget Sound region. The survey focused on two key issues; reaction to Roads and Transit ballot and public attitudes toward tolling, in particular the SR 520 Bridge.

The survey indicated that voters were more pessimistic than optimistic, but transportation was still the highest priority issue. Those that supported tolling argued that tolls should be lifted after the project was paid for and that tolls can help pay for the SR 520 Bridge and the Alaskan Way Viaduct. There was general support of tolling I-90 to help pay for the SR 520 Bridge as well as to keep traffic flowing smoothly on both bridges. The HOT lanes concept on SR 167 was generally favored with an increase in support if it were expanded to I-405.

Focus groups were conducted in the winter of 2007 to measure participant's awareness of tolling for the purpose of improving traffic and to determine opportunities to improve support for tolling with a public engagement program. The focus found that the public's awareness of tolling was high, but lack of understanding lead to skepticism regarding tolling all lanes.

Ron Posthuma, Assistant Director, King County DOT, shared that voters in King County have a strong sense of urgency around transportation issues, especially reducing congestion and expressed strong support of using variable tolling as a mechanism to reduce congestion.

Commissioners shared their concerns with tolling only the SR 520 Bridge as opposed to tolling both I-90 and SR 520 at the same time. Possible alternative routes were discussed that might experience congestion due to tolling either or both facilities. The conversation briefly touched on the possibility of opening the discussion of low income reduced tolls for employee/employer programs.

Commissioners and Mr. Posthuma, Assistant Director, King County DOT, discussed details of the survey and public responses to the questions.

Senator Pflug expressed that people find a very distinct difference in terminology. She explained that to some congestion pricing implies a life style change where as variable tolling implies a choice.

UPDATE ON SR 167 HOT LANES OPERATIONS

Craig Stone, Urban Corridors Administrator, WSDOT, walked the Commission through WSDOT's experiences following the opening of the SR 167 HOT Lanes on May 3, 2008. He explained that nearly three weeks of operations and the Department is already collecting valuable data from this pilot project. The Department is watching the system closely, especially access points, while making adjustments to find the most efficient operations.

Partnering with the Washington State Patrol and a heavy media blitz has led to a successful opening of the HOT Lanes. During the first week of operations the HOT Lanes the maximum toll paid was \$2.75 northbound and \$2.25 southbound with a total of 4736 Good To Go users accessing the lanes.

It is important to remember that this is a pilot project and may be adapted to actual conditions experienced during the trial. There are questions and concerns about the double-striping and access points; how to get a transponder; concerns about having to buy a shield to block the transponder as a carpool user; concerns about tolled lanes being a way to double tax and concerns that toll lanes are for the rich.

The HOT Lanes' key feature is to maintain traffic flow at 45 miles per hour, 90 percent of the time during peak periods. The HOT Lanes southbound are more than eight miles and ten miles northbound, with ten access points. HOV 2⁺ and motorcycles are toll free. Hours of operation during the day are typically between 5 am and 7 pm and open to all traffic at night. Variable tolls range between 50 cents and \$9. Revenue will be used to pay for toll and roadway operations and maintenance, increased enforcement and added incident response. He provided an overview of the rules of the road when using the HOT Lanes. WSDOT will report to the Legislature and the Commission annually on such items as freeway efficiency and safety; effectiveness for transit; person and vehicle movements by mode; the ability to finance improvements and transportation services through tolls and the affects on highway users.

Mr. Stone wrapped up the presentation with a brief overview of the I-405/SR 167 proposed interchange project.

DESIGN / BUILD PROJECT OVERVIEW

Aaron Butters, State Construction Engineer, WSDOT explained that Design Build is a method used for project delivery in which the owner executes a single contract with one entity for design and construction services to provide a finished product where the Department prepares the basic project design and defines the terms that must be met.

Design Bid build is the traditional approach for delivery of transportation projects where the owner completes the design and accepts the lowest responsive bid for construction from qualified contractors.

He provided an overview of legislative history and Washington State law related to design build and how the process flows through the Department's executive that is charged with overseeing design build and other contracting. Design Build projects are of equal quality with cost growth less than traditional contracts (based on the small number of contracts completed or underway). The Department will continue to use Design Build contracting on appropriate projects.

It will not replace Design-Bid contracting, but will be used as an additional tool to assist in delivery.

Mr. Butters responded to Commissioner questions and concerns with Design Build.

UPDATE ON WASHINGTON STATE FERRIES ACTIVITIES

Commissioner Distler thanked Traci-Brewer-Rogstad, Deputy Director, WSF, for her dedication to WSDOT/WSF and extended his best wishes in her future endeavors.

Ms. Brewer-Rogstad explained that WSF is focusing heavily on operational and pricing strategies with ferry funding being one of the top priorities. She moved on to explain that ESHB 2358 states clearly that the Legislature intends for WSF to be given the tools to maximize utilization and to make efficient use of assets and tax dollars. Looking forward WSF will ensure that it will do more with less in the long term and get the best use of the available capacity. WSF will need to grow over time; but needs to look at pricing and operational strategies to spread the demand outside of just the commute time. The Commission's Ferry Survey and Ferry Funding Study will wrap into the next phase. The Legislature has made it very clear that it wants WSF to look at ridership forecasts, level of service standards and terminal design standards.

Chair Ford emphasized that the Commission will rely on WSF's work in addition to the Ferry Survey, Ferry Funding Study and the JTC's work in making future decisions.

Ms. Brewer-Rogstad shared that the goal of the operational and pricing strategies is legislatively intended for WSF to look at different ways to keep cost down while continuing to improve the quality of timeliness of service. WSF is looking at different ways to plan in the long term to better utilize capacity, encouragement of walk-on passengers and vehicle demand on the system during peak periods. Reservation systems are an operational strategy, but could also be a pricing strategy. It seems to be the most common strategy that comes up, because it can help manage the size of the dock and terminal design standards. The pilot reservation system in Port Townsend will provide a good footprint moving forward towards future changes. The timing and implementation of all of this fits together with all of the key discussion questions coming together in the Long Range Plan.

Michael Hodgins, Berk and Associates, Inc, explained that the survey findings will impact how some of the strategies are evaluated. It will be in the details how routes and market segments are evaluated, which is the next step, as more detailed information is received from the survey team. All of the work that various groups are doing ultimately will come together into a revised Long Range Plan, which is about sizing the system for the demand needs over the next 20⁺ years. Operational and pricing strategies are a key part of the question. As options are looked at for managing or shifting demand to meet capacity that will impact how big the system needs to be in order to deal with future growth, demand and level of service standards. The final package will balance the funding needs with level of service, pricing and operational strategies.

Commissioners and Mr. Hodgins discussed various issues surrounding the ferry system's operational and funding issues.

Mr. Hodgins provided an overview of what is considered to be the most promising list of options for the system. He indicated that WSF has taken a comprehensive look at best

practices of other transportation industries operational strategies to see what is being done elsewhere and how they might apply to the ferry system.

All of the information gathered was screened to determine how these strategies might accomplish the ferry system's objectives. He walked the Commission through the list of strategies under consideration sharing the potential opportunities and challenges of each. Commissioner's expressed their concerns and suggestions regarding the list of considerations.

Rob Berman, AICP, KPFF Consulting Engineers, explained that one item that kept rising to the top of the list, not necessarily on the demand management side, but on the operational efficiency side is the reservation system. The general concept under consideration is that customers would buy a vehicle fare for a specific sailing with reservations being made via an automated reservation system. The primary benefit of a reservation is the reliability for the customer and the ferry system. Implementation of the reservation system can be made based on the needs and characteristics of various routes. There could be a reservation charge, but it is not a necessity. The primary variable for the reservation system that makes it work well is the overall percentage of the vessel being reserved and the ability to determine vessel capacity. He explained that the important aspect is to understand how riders make their travel decisions, not only on a route, but within a time period on a route. The key is to understand when and how people make their travel decisions in order to make the reservation system function well for the riders and the system.

Commissioners expressed their concerns regarding potential increases in operational costs as well as the functionality of a reservation system.

Reema Griffith, Executive Director, WSTC, distributed a schedule of the upcoming Ferry Advisory Committee (FAC) meetings.

Chair Ford indicated that one or two Commissioners will attend each of the FAC meetings.

Duke Schuab, Consultant, Associated General Contractors (AGC), shared his perspective regarding the importance of the Commission's Tolling Study. AGC supports moving forward with tolling as a funding revenue source to help address some of the transportation problems facing the state. He explained that an item that is not discussed is future maintenance and operations relative to projects being discussed that could be subject to tolling in the future. The Tacoma Narrows Bridge as well as other projects will continue to need future maintenance and preservation which all comes with a cost. What is not being addressed is what portion, if any, of tolls collected will be set aside for future consideration of preservation costs. It is the position of the AGC that the Commission must take preservation into consideration when setting tolls on new projects.

Chair Ford responded that the Legislature has indicated the continuance of tolls on projects for preservation is a consideration.

UPDATE ON NEW FEDERAL PLANNING REQUIREMENTS

Elizabeth Robbins, Manager, Policy Development and Regional Coordination, Transportation Planning Office, WSDOT, explained that today's presentation will focus on federal planning requirements for statewide transportation plans, but will briefly touch on the requirements as they relate to Metropolitan Planning Organizations (MPO).

She provided a brief overview of SAFETEA-LU, noting that the 2007-2026 Washington Transportation Plan is considered compliant with SAFETEA-LU by the Federal Highway Administration

Each state carries out at a minimum a 20-year multimodal Transportation Plan that provides for the development and implementation of the state's multimodal transportation system. The plan must include; capital, operations, management strategies, investments and procedures; reference relevant planning studies and plans; include safety and security elements, as well as discuss potential environmental mitigation activities and federal planning factors. These plans are developed in cooperation and consultation with MPO's, non-metropolitan local officials, tribal governments and the Secretary of the Interior and federal land management agencies. Statewide planning includes a variety of agencies, citizens, freight and various other interested parties. In order to secure federal funding and approval it is critical that the statewide and metropolitan transportation plan meet specific federal requirements.

She wrapped up the presentation with a question and answer period with Commissioners regarding Commission participation, public involvement, governmental agency participation, federal and state law and streamlining the NEPA process.

NAMING SR 112 THE "VIETNAM WAR VETERANS' MEMORIAL HIGHWAY"

Bill Minor, Commander of Veterans of Foreign Wars, Post 1024 and President of Clallam County Veteran's Association, Port Angeles, Gerald Retella, President of the Korean War Veteran's Association, Chapter 310, Port Angeles, Mike Partridge, member of Veteran's Legislation Coalition and Skip Dreps, Government Relations Director, Paralyzed Veterans of America presented Senate Joint Memorial 8024 naming a portion of SR 112 the Vietnam War Veteran's Memorial Highway in Clallam County between the junction of Highway 101 and the junction of Highway 113 in memory of those that served our nation.

Chair Ford presented Commission Resolution No. 689 supporting Senate Joint Memorial 8024 requesting the Commission to proceed with naming a portion of SR 112 the Vietnam War Veteran's Memorial Highway in Clallam County between the junction of Highway 101 and the junction of Highway 113

It was moved by Commissioner Forner and seconded by Commissioner Parker to approve Resolution No. 689 naming a portion of SR 112 the Vietnam War Veteran's Memorial Highway in Clallam County between the junction of Highway 101 and the junction of Highway 113. The motion passed unanimously.

It was moved by Commissioner Distler and seconded by Commissioner Forner to amend paragraph five of Resolution No. 689 to read: Whereas, fifty-eight thousand one hundred eighty-three men and women of the United States armed forces lost their lives from 1957 to 1975; and

The motion passed unanimously.

Don Williams, citizen, submitted written comment supporting this naming. He expressed that the Commission should research proposed facility namings to make certain that there is widespread support before taking action

PUBLIC EMPLOYMENT RELATIONS COMMISSION DECISION

Jessica Todorovich, Manager, Labor and Employee Relations, WSDOT, explained that today's presentation is to comply with an arbitrator's direction to read into the Commission's official record WSDOT's violation of State Collective Bargaining laws. She provided an overview of the specific findings of the unfair labor practice: WSDOT contracted out work that was typically done by bargaining employees that did not require special equipment or special expertise without offering opportunity for bargaining; and WSDOT directly circumvented the union through direct dealing with employees represented by the union. Ms. Todorovich read verbatim into the official meeting minutes of the Commission:

"We unlawfully failed to notify and offer the opportunity to bargain to the exclusive bargaining representative of the employees in the main maintenance shop of the Eastern Region of the Department of Transportation in Spokane regarding the contracting out of bargaining unit work and circumvented the employees of said bargaining unit."

COMMISSION BUSINESS & REPORTS

Ms. Griffith presented the Commission 2009-2011 Strategic Plan for approval.

It was moved by Commissioner Parker and seconded by Commissioner Moser to adopt the Commission 2009-2011 Strategic Plan as amended. The motion passed unanimously.

Commissioners discussed public outreach ideas, solutions and equipment that may be necessary for statewide meetings.

Chair Ford noted that the Commission held a joint conference call with the State of Oregon and California Transportation Commissions to discuss forming a three-state coalition.

In closing the Commission held discussion regarding various housekeeping items.

The Commission meeting adjourned at 5 p.m., on May 22, 2008.

VIOLATION OF STATE COLLECTIVE BARGAINING LAWS, AND ORDERED US TO POST THIS NOTICE TO EMPLOYEES:

WE UNLAWFULLY failed to notify and offer the opportunity to bargain to the exclusive bargaining representative of the employees in the main maintenance shop of the Eastern Region of the Department of Transportation in Spokane regarding the contracting-out of bargaining unit work, and circumvented the Washington Federation of State Employees by direct dealing with the employees of said bargaining unit.

TO REMEDY OUR UNFAIR LABOR PRACTICES:

WE WILL give notice to and upon request, negotiate in good faith with the Washington Federation of State Employees concerning the contracting out of the bargaining unit work of clutch repair.

WE WILL post copies of the notice attached to this order in conspicuous places on the employer's premises where notices to all bargaining unit members are usually posted. These notices shall be duly signed by an authorized representative of the respondent, and shall remain posted for 60 consecutive days from the date of initial posting. The respondent shall take reasonable steps to ensure that such notices are not removed, altered, defaced, or covered by other material.

WE WILL read the notice attached to this order into the record at the regular public meeting of the Transportation Commission, and permanently append a copy of the notice to the official minutes of the meeting where the notice is read as required by this paragraph.

WE WILL NOT in any other manner, interfere with, restrain, or coerce our employees in the exercise of their collective bargaining rights under the laws of the State of Washington.

DATED: 1/8/08

WASHINGTON STATE DEPARTMENT OF
TRANSPORTATION

BY:



Authorized Representative

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE.

This notice must remain posted for 60 consecutive days, and must not be altered or covered by any other material. Questions about this notice or compliance with the Commission's order may be directed to the Public Employment Relations Commission (PERC), 112 Henry Street NE, Suite 300, PO Box 40919, Olympia, Washington 98504-0919. Telephone: (360) 570-7300. The full decision will be published on PERC's web site, www.perc.wa.gov.

WASHINGTON STATE TRANSPORTATION COMMISSION



DICK FORD, Chair

ELMIRA FORNER, Vice-Chair



PHILIP A. PARKER, Member



CAROL MOSER, Member

ABSENT

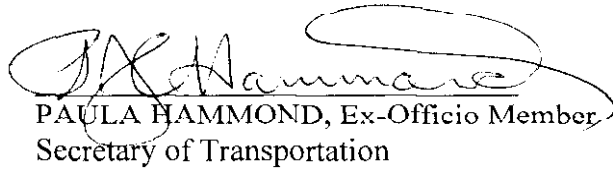
DAN O'NEAL, Member



ROBERT S. DISTLER, Member



DALE STEDMAN, Member

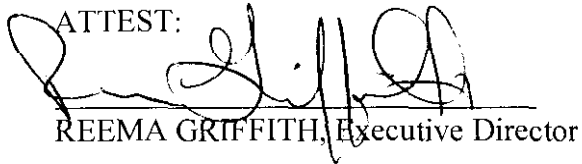


PAULA HAMMOND, Ex-Officio Member
Secretary of Transportation



JENNIFER ZIEGLER, Governor's Office

ATTEST:



REEMA GRIFFITH, Executive Director

7/15/08

DATE OF APPROVAL